

HOUSE BILL NO. 4274

February 18, 2021, Introduced by Rep. Tate and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 11 (MCL 388.1611), as amended by 2020 PA 165,
and by adding section 39b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30, 2020,~~
2 ~~there is appropriated for the public schools of this state and~~
3 ~~certain other state purposes relating to education the sum of~~
4 ~~\$12,829,470,800.00 from the state school aid fund, the sum of~~

1 ~~\$104,660,000.00 from the general fund, an amount not to exceed~~
 2 ~~\$75,900,000.00 from the community district education trust fund~~
 3 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
 4 ~~489, MCL 12.262, an amount not to exceed \$9,717,800.00 from the~~
 5 ~~talent investment fund created under section 8a of the higher~~
 6 ~~education loan authority act, 1975 PA 222, MCL 390.1158a, an amount~~
 7 ~~not to exceed \$31,900,000.00 from the MPERS retirement obligation~~
 8 ~~reform reserve fund, and an amount not to exceed \$100.00 from the~~
 9 ~~water emergency reserve fund. For the fiscal year ending September~~
 10 ~~30, 2021, there is appropriated for the public schools of this~~
 11 ~~state and certain other state purposes relating to education the~~
 12 ~~sum of \$13,589,621,600.00~~ **\$13,889,621,600.00** ~~from the state school~~
 13 ~~aid fund, the sum of \$50,964,700.00~~ **\$50,964,600.00** ~~from the general~~
 14 ~~fund, an amount not to exceed \$77,700,000.00 from the community~~
 15 ~~district education trust fund created under section 12 of the~~
 16 ~~Michigan trust fund act, 2000 PA 489, MCL 12.262, and an amount not~~
 17 ~~to exceed \$100.00 from the water emergency reserve fund. In~~
 18 ~~addition, all available federal funds are appropriated for the~~
 19 ~~fiscal years~~ **year** ~~ending September 30, 2020 and September 30, 2021.~~

20 (2) The appropriations under this section are allocated as
 21 provided in this article. Money appropriated under this section
 22 from the general fund must be expended to fund the purposes of this
 23 article before the expenditure of money appropriated under this
 24 section from the state school aid fund.

25 (3) Any general fund allocations under this article that are
 26 not expended by the end of the fiscal year are transferred to the
 27 school aid stabilization fund created under section 11a.

28 **Sec. 39b. (1) From the federal funds appropriated in section**
 29 **11, there is allocated an amount estimated at \$1,656,400,000.00 for**

1 2020-2021 for the purposes of addressing the impact that COVID-19
2 has had on this state's K to 12 education system, funded from DED-
3 OESE, elementary and secondary school emergency relief (ESSER)
4 fund.

5 (2) From the federal money allocated under subsection (1),
6 there is allocated for 2020-2021 an amount not to exceed
7 \$157,350,000.00 and from the state school aid fund money
8 appropriated under section 11, there is allocated for 2020-2021 an
9 amount not to exceed \$300,000,000.00 for payments to districts and
10 intermediate districts to mitigate the impacts of COVID-19 on
11 student achievement. Payments under this subsection to districts
12 and intermediate districts must be calculated as follows:

13 (a) Half of the sum of [the entire federal allocation under
14 this subsection and \$290,000,000.00 from the state school aid fund
15 allocation under this subsection] must be distributed to districts
16 proportionate to the district's share of statewide full-time
17 equated memberships for special education pupils enrolled in the
18 district for the current school year.

19 (b) Half of the sum of [the entire federal allocation under
20 this subsection and \$290,000,000.00 from the state school aid fund
21 allocation under this subsection] must be distributed on an equal
22 per pupil basis utilizing for this calculation the number of full-
23 time equated pupils engaged in pandemic learning for fall 2020 in
24 the district if the district does not operate as a cyber school as
25 that term is defined in section 551 of the revised school code, MCL
26 380.551, or the number of full-time equated pupils in grades K to
27 12 actually enrolled and in regular daily attendance in the
28 district if the district operates as a cyber school as that term is
29 defined in section 551 of the revised school code, MCL 380.551, on

1 pupil membership count day for the current school year. This per
2 pupil payment must be adjusted by the department such that the
3 total allocation to any district, when combined with other payments
4 included in this subsection to districts, is not less than
5 \$25,000.00.

6 (c) \$5,000,000.00 from the state school aid fund allocation
7 under this subsection must be distributed to intermediate districts
8 proportionate to the full-time equated number of special education
9 pupils educated by the intermediate district and counted in
10 membership in the intermediate district in the current school year
11 compared to the statewide sum of the full-time equated special
12 education pupils counted in membership in intermediate districts in
13 the current school year.

14 (d) \$5,000,000.00 from the state school aid fund allocation
15 under this subsection must be distributed to intermediate districts
16 on an equal per pupil basis utilizing for this calculation the
17 total number of full-time equated pupils engaged in pandemic
18 learning for fall 2020 in constituent districts of the intermediate
19 district. This per pupil payment must be adjusted by the department
20 such that the total allocation to any intermediate district, when
21 combined with other payments included in this subsection to
22 intermediate districts, is not less than \$25,000.00.

23 (3) The federal funds allocated under this section are subject
24 to the requirements provided in Public Law 116-260 and related
25 federal guidance regarding elementary and secondary school
26 emergency relief (ESSER) fund dollars. The allowable uses for state
27 school aid fund allocations under this section must be the same
28 allowable uses as provided in Public Law 116-260 and related
29 federal guidance regarding elementary and secondary school

1 emergency relief (ESSER) fund dollars.

2 (4) Notwithstanding section 17b, the department shall make
3 payments under this section on a schedule determined by the
4 department.

5 (5) The funds allocated under this section for 2020-2021 are a
6 work project appropriation and any unexpended funds for 2020-2021
7 are carried forward into 2021-2022. The purpose of the work project
8 is to continue addressing the impact that COVID-19 has had on this
9 state's K to 12 education system. The estimated completion date of
10 the work project is September 30, 2024.

11 (6) As used in this section, "DED-OESE" means the United
12 States Department of Education Office of Elementary and Secondary
13 Education.

14 Enacting section 1. In accordance with section 30 of article
15 IX of the state constitution of 1963, total state spending on
16 school aid under article I of the state school aid act of 1979,
17 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2020 PA 147,
18 2020 PA 148, 2020 PA 149, 2020 PA 165, and this amendatory act,
19 from state sources for fiscal year 2020-2021 is estimated at
20 \$14,018,286,300.00 and state appropriations for school aid to be
21 paid to local units of government for fiscal year 2020-2021 are
22 estimated at \$13,846,289,200.00.